



BROOKS FIBER COMMUNICATIONS

AMERITECH INCIDENT REPORT

ORDER IDENTIFICATION

CUSTOMER (last, first): XXXXX

ORDER #: XXXXX

DATE ORDERED: 11/27/96

STREET ADDRESS: XXXXX

DUE DATE: PENDING

CITY / STATE: GRAND RAPIDS MI

IN SERVICE:

TELE #: XXXXX

AMI #: XXXXX

BRIEF DESCRIPTION OF PROBLEM:

The customer has an OPX. We wanted Ameritech to miscellaneous bill the OPX. Ameritech refused. We put the order on hold to await a decision.

Ameritech then started to work the order after the order was put on hold. The customer had two numbers that went down. Ameritech got one of the numbers back up the same day but the other number was still down three (3) days later.

The order is still on hold pending a decision on the OPX issue.

REPORTER'S NAME / DEPARTMENT: XXXXX

XXXXX



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TELE #: XXXX

AMI #: XXXX

BRIEF DESCRIPTION OF PROBLEM:

I talked with a provisioner from Ameritech today and they will leave the OPX line for this customer alone. They basically said in this instance the OPX line is tied to a "station" and not a phone number and therefore can stay as is. The problem is still not rectified, however.

Ameritech is saying we have two choices: (1) either pay for a redesign of any future line based OPX circuit, \$700-\$1500, or (2) keep one dial tone circuit with Ameritech for any future customer with a line based OPX line (it evidentially doesn't matter which number as long as one stays).

This justifies what I had been telling them all along--the OPX circuit physically has nothing to do with the phone number. This may be a temporary solution but I [would] still like to have the ability to take all the customer lines we can and not make the billing issue any more difficult for the customer than we have to."

REPORTER'S NAME / DEPARTMENT: XXXXX

XXXXX

Ameritech

SS 7 Trial

March 12, 1996

Martin W. Clift, Jr.
Director Regulatory Affairs
Brooks Communications
2855 Oak Industrial Drive NE
Grand Rapids, MI 49506

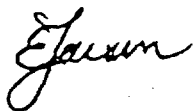
Dear Mr. Clift:

In response to your memo of February 26, 1996, a trial of the technology which you described was begun but was discontinued after just two days. A draft agreement was circulated among, but not fully executed by, the parties.

Your company was apparently satisfied with that brief experience. However, from our perspective, the trial did not demonstrate that the technology could be developed into a viable service. Our currently tariffed Interim Number Portability offering complies with the Telecommunications Act of 1996, which does not specify the use of the trialed technology. Moreover, as there are numerous unanswered questions about that technology and its usefulness is only marginal as an enhancement to an interim service, we have decided that it is not appropriate to pursue a more thorough technical trial or the other substantial activities needed to develop the technology into a new service offering.

If I can be of further assistance, please contact me at (312)335-6764.

Sincerely,



Eric Larsen

HEADSUP

Your Story Request

ORDER NO. 459830#

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INTERVIEW-AMERITECH STRATEGY FOR GROWTH

NEW YORK, Reuters via Individual Inc. : Ameritech Corp is confident that it has a three-part strategy to keep its earnings growth intact even when new competitors enter its midwest region in force later this year in search of new customers.

The Chicago-based regional Bell has strengthened its core local calling business, moved to enter new businesses like cable TV and security which add value to the network, and sought out profitable niches abroad.

"The beauty is we started these strategies three years ago and they work," said Chief Executive Richard Notebaert.

Over lunch in a Manhattan restaurant, Notebaert told Reuters that the costs of fighting new competitors would be significant, but would not seriously hinder growth.

"Will it affect us? Yes. Will it takes us below double digit earnings growth? I don't think so," he said.

While some Bells have sought safety and market strength in mergers, Notebaert said Ameritech had not so far found any business combinations that met the acid test.

"We haven't seen anything that would add value for shareholders," he said, declining to give details.

Ameritech has taken an individual path in its core business by pushing software

calling features like call-waiting and caller ID -- which are very profitable -- instead of extra lines which may not be so profitable.

"We just stopped stimulating it (demand)" he said, adding that growth in lines had fallen to 3.5 percent a year from 4.5 percent when new lines were actively marketed.

New lines have a very long payback when cable reinforcement is needed in the street, Notebaert said. The additional revenue may be small, especially if the line is used solely for a facsimile machine or Internet usage.

Ameritech also struck out alone in its foray into the security business, which concentrates on remote monitoring of premises. The company bought SecurityLink in 1994 and National Guardian in 1995 and now has 367,000 users, mostly businesses of which 78 percent are outside its home region.

"We are number two in the U.S. and we need to be number one," Notebaert said.

Ameritech, which is licensed to offer long distance services in 42 states, has considered using its security customer base as a launching pad to sell other telecom services outside its region, Notebaert said.

Ameritech has quietly become a force in cable TV, offering service in 20 of 32 franchises it owns in its local region.

The programming is supplied by Americast, which Ameritech owns with BellSouth Corp <BLS.N>, SBC Communications <SBC.N>, Walt Disney Co <DIS.N>, GTE Corp and Southern New England Telecommunications Corp <SNE.N>.

Ameritech is shy about revealing cable TV customer numbers. It would only say they number tens of thousands. Of customers approached, 25 percent have taken the service.

The offering is typical of Ameritech's down to earth approach. Notebaert has shied away from futuristic services when it is not clear what the market will support.

"Everyone who went into interactive and multimedia lost their shirts," Notebaert said.

Ameritech powered 30 percent of its earnings growth in the fourth quarter of 1996 came from overseas investments, which includes stakes in companies in New Zealand, Hungary, Belgium, Norway and Germany.

"We could have done much more, but we didn't want to take our eye off the ball at home," Notebaert said. ((-- New York Newsroom 212 859 1610))

[01-28-97 at 19:05 EST, Copyright 1997, Reuters America Inc., File: w0128190.301]



June 3, 1997

Mr. Eric Larsen
Account Manager
Ameritech Information Industry Services
350 North Orleans, Floor 3
Chicago, IL 60654

Via Fax: 312-335-2927

Dear Eric,

Per our discussion (Denise Hardaway, Kay Heltsley, Eric Larsen and Dennis Perkins) on May 15, 1997, we reviewed a worksheet that I created and provided to Ameritech with revised methodology in calculating the access charges for February 1996 to March 1997. The new methodology was reflective of the Ameritech proposed formula in calculating the access compensation to Brooks. The calculation made an adjustment for the Interim Number Portability (INP) traffic. On this call, we agreed to the calculation presented on the provided worksheet.

In addition, the worksheet reflected the money due to Brooks by each month after applying the new calculation methodology. For the periods February 1996 to March 1997, the worksheet indicated a total amount due of \$1,972,230.17 to Brooks.

Eric, my understanding from the May 15 call was that the parties on the call agreed with the worksheet calculation and the remaining two steps included a review of the worksheet by the Ameritech Accounting Department and creation of a check to Brooks.

To date, I have not received a check or status. As you are aware, these issues are old and I am eager as I am sure you are to complete this one.

Since this issue dates back to early 1996 and is over a year old, please let me know when we can expect to receive payment from Ameritech.

Sincerely,



Dennis Perkins
V.P. Corporate Controller

cc: Marty Cliff



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TELE #: XXXX

AMI #: XXXX

BRIEF DESCRIPTION OF PROBLEM:

I received a call today from the office manager of this account. She told me Ameritech called her today trying to win the account back, saying that Brooks' service does not work and we just reuse Ameritech lines. This office manager got very confused and upset that Ameritech called her. She suggested to Ameritech that they call me and they refused. The Ameritech person's name is Jenette (616) 261-6047.

REPORTER'S NAME / DEPARTMENT: XXXXX

XXXXX



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CUSTOMER (last, first): XXXX

ORDER #: XXXX

DATE ORDERED:

STREET ADDRESS: XXXX

DUE DATE:

CITY / STATE: ZEELAND MI

IN SERVICE:

TELE #: XXXX

AMI #: XXXX

BRIEF DESCRIPTION OF PROBLEM:

Customer called into Grand Rapids office asking about Brooks service. Customer was referred to me, the sales representative in the Zeeland area. This was on or about 10/28/96. I received copies of the customer's Ameritech phone bill and was putting a proposal together. In the meantime, she called Ameritech asking about competition and if they could compete with the low Brooks rates. The Ameritech contact then told the customer that if they did go with Brooks, the service would be secondary. If she were an Ameritech customer, she'd get better service than if she were a Brooks customer. The customer then called me with this information, but did not have the name of the person she spoke with at Ameritech. I told her what Ameritech said wasn't true.

To date, the customer is still with Ameritech and this incident has created doubt in their minds about Brooks.

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XXXXX



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DUE DATE:

CITY / STATE:

GRAND RAPIDS

MI

IN SERVICE:

TELE #:

XXXX

AMI #:

XXXX

BRIEF DESCRIPTION OF PROBLEM:

I received information that this customer was interested in Brooks service. After I met with the customer and had them sign an L.O.A. (Letter Of Authorization), the very next day Ameritech called on them. The Ameritech rep sent them a proposal on their local exchange rates, trying to better Brooks. I saw the proposal and Brooks' figures and prices still beat Ameritech.

REPORTER'S NAME / DEPARTMENT:

XXXXXX

XXXXXX



BROOKS FIBER COMMUNICATIONS

AMERITECH INCIDENT REPORT

ORDER IDENTIFICATION

CUSTOMER (last, first): XXXXX

ORDER #: XXXXX

DATE ORDERED: N/A

STREET ADDRESS: XXXXX

DUE DATE:

CITY / STATE: MI

IN SERVICE:

TELE #: XXXXX

AMI #: XXXXX

BRIEF DESCRIPTION OF PROBLEM:

This customer was told initially by Ameritech that, because they wanted to terminate a contract with them, the penalty would be \$400. Now, Ameritech states the termination penalty is around \$12,000. Ameritech claimed that the first person [the customer contacted] was not trained on Centrex or not in that department so didn't have authorization to quote anything. The customer may even have the first quote in writing. He is quite concerned now about switching to our service because of what Ameritech is threatening to charge him.

REPORTER'S NAME / DEPARTMENT: XXXXX

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CITY / STATE: HUDSONVILLE MI

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BRIEF DESCRIPTION OF PROBLEM:

AMI was contacted for the buyout of this customer's 36-month agreement (Ameritech Value Link Plus). AMI reported a \$600 minimum usage per year. The buyout of the contract was supposed to be half of the remaining dollar commitment. They were billed for the full amount after they cut over to Brooks. The customer faxed me the bill, and I proceeded to call AMI 800-660-3000 small business services. I spoke with Lola and identified myself as a Brooks employee and offered to fax over the LOA. She said I had reached the wrong department, and forwarded me on to Susan in the voice mail, misc. department. Susan forwarded me to Chris in unbundling. After no one could help me, I was then returned to small businesses services where I had started. I spoke with Molly. I told Molly who I was, and that I wanted to fax her the letter of agency [authorization] so she could help me with this account. I explained to her that the customer was now a Brooks customer, but had received a bill for the termination of the Ameritech Value Link Agreement. I requested a copy of the agreement between AMI and this customer, including the termination charge clause. She stated that her computer told her that this customer has been a Brooks customer since September of 1996. This is not true. They started with Brooks in December of 1996. She then told me that she could not speak with me at all in regards to this account. She said that the customer had to call her, NOT BROOKS. I then offered to conference the customer in on the call with Molly. Molly said NO. She needed the customer to call her directly and give her all of the information regarding the contract. It confuses me that AMI can't give me information with a signed LOA! I am after a signed copy of the legal document with all of the clauses including the termination charge clause. AMI is telling me that they cannot supply me with this. I do not want to bother my customer with this. I can answer any questions that AMI may have in regards to this customer. I have told the customer to NOT pay AMI for this termination cost until further notice.

REPORTER'S NAME / DEPARTMENT: XXXXX

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BRIEF DESCRIPTION OF PROBLEM:

In September/October, this customer called Ameritech to obtain business line rates prior to their move to a new office. She mentioned to the rep she was considering Brooks Fiber service, as well as Ameritech. She was very quickly transferred to what Patty referred to as the "conservation" group.

Ameritech has a special group of 4 people who handle callers who mention they are looking at AMI competitors.

Patty said this group sharpened their pencils and offered to charge just one installation charge (\$42) rather than one for each of their four lines (\$168). They also offered her two features free for 6 months.

The rep stated, rather forcefully at first, that BFC service would not be as good as AMI. She then backed off and said it MIGHT not be as good.

We had many reports of customers being told they would no longer be in "the phone book" or DA [directory assistance].

REPORTER'S NAME / DEPARTMENT: XXXXX

XXXXX



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BRIEF DESCRIPTION OF PROBLEM:

E-mail from Brooks Sales to Brooks Legal:

"I have filed an incident report for this customer. They were under an Ameritech Value Link Calling Plan. Ameritech told us the incorrect buyout. When the customer got his Ameritech bill, it was higher than what Ameritech told me it would be.

The customer brought up a good point today. He went to law school and thought he "had something" on Ameritech. I just found this out today, but when the Ameritech rep went out to his business and had him sign this contract, he didn't know there was more to what he was signing. He signed one page, and was never told that there was another page of the contract that included all of the termination charges, legal stuff, etc. He thought he was just getting a lower rate. In fact, the Ameritech rep left him a copy of his signature, and that's it. It just shows that he's signing for 3-years with a minimum usage of \$600 a year....."

REPORTER'S NAME / DEPARTMENT: XXXXX

XXXXX



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AMI #: XXXX

BRIEF DESCRIPTION OF PROBLEM:

Jobbers Warehouse has part of its lines with us and part of its lines with AMI. We are in the process of cutting all of their lines over to Brooks. They are not yet entirely on our service. AMI cut several of Jobbers lines this week. Jobbers was out of service because of AMI. The customer contacted AMI to see what was wrong and they told him that Brooks ordered AMI to disconnect the lines. This is not true. When Brooks called AMI they claimed that they did not receive an order from Brooks to cut the lines.

Essentially, AMI was telling two different stories to Brooks and Jobbers. The customer does realize that this is AMI's "fault". However, he is upset and the order is in a pending state until further notice. This is a large Centrex customer. Some of us in the sales dept. are meeting with Mark next week to resolve and doubt, etc. Hopefully this account can be saved.

REPORTER'S NAME / DEPARTMENT: XXXXX

XXXXX



General Offices: 1945 West Parnall Road, Jackson, MI 49201

November 7, 1996

Todd J. Stein
Brooks Fiber Communications
2855 Oak Industrial Drive NE
Grand Rapids, MI 49506-1277

Re: Pole License and Conduit Use Agreements

Dear Mr Stein:

Thank you for your recent letter. Our Legal Department is familiar with the Telecommunications Act of 1996 and the new FCC rules implementing the Act and does not agree that the Act requires Consumers Power Company to charge Brooks Fiber the same attachment rate paid by cable TV companies.

Under §224(c)(1) of the Act, the FCC does not have jurisdiction with respect rates, terms and conditions, or access to poles, ducts, conduits, and rights-of-way if the State regulates such matters. The FCC has recognized that Michigan has preempted FCC jurisdiction as to these matters. Thus, the rate to be paid for attachment of your fiber optic cable to Consumers Power Company's poles is within the jurisdiction of the Michigan Public Service Commission and Michigan statutes.

Please call me on 517-788-1237 at your earliest convenience as so that we can finalize an appropriate joint-use pole agreement that will allow Brooks Fiber to use Consumers Power Company poles in 1997 and beyond.

Sincerely,

Eric C. Pape, CFM
Project Manager-Business Development

Troy, Mich., dispute with TCI over telecom franchise authority was debated heatedly during panel Dec. 6. City Attorney..

Source: *COMMUNICATIONS DAILY*

COMMUNICATIONS DAILY via Individual Inc. : Troy, Mich., dispute with TCI over telecom franchise authority was debated heatedly during panel Dec. 6. City Attorney Peter Letzmann was lone local govt. rep on panel with attorneys from MCI, Ameritech and TCI. He defended city's procompetition position, saying Troy is trying only to organize right-of-way (ROW) access through its franchise. Howard Simons, who represents TCI, said TCI doesn't have problem with city exercising its police powers on ROW, but said rules should be applied to all providers, including Ameritech. If state or federal law precludes city from applying rules to Ameritech, he said, Troy can't apply rules to new entrants. Troy's telecom ordinance goes beyond ROW management, Simons said: "It begins to trespass into those areas it doesn't have any authority in," including in-kind telecom services for city and obligation to interconnect to city's telecom network. MCI Metro Senior Attorney James Harlan said complaint at FCC is silent on Mich.'s own Telecom Act, passed in 1995, which clarifies that telecom service isn't public utility. He said city is asserting "phantom power" over new telecom entrants because state law allows only local govts. to regulate public utilities. Steven Wells, attorney for Ameritech, agreed that Mich. Telecom Act will be significant in FCC proceeding. He said city's telecom ordinance looks like cable ordinance rewritten for telecom industry. Wells said that despite claims on earlier panel, Ameritech's grandfathered franchise with state has been challenged and reaffirmed in courts. That franchise wasn't addressed in Mich. Telecom Act, he said.

[12-08-96 at 16:15 EST, Copyright 1996, Warren Publishing]